

EXHIBIT B



***Two Technologies Compared:
NOR vs. NAND
White Paper***

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INTRODUCTION

Two main technologies dominate the non-volatile flash memory market today: NOR and NAND. NOR flash was first introduced by Intel in 1988, revolutionizing a market that was then dominated by EPROM and EEPROM devices. NAND flash architecture was introduced by Toshiba in 1989. Most hardware engineers are not familiar with the differences between these two technologies. In fact, they usually refer to NOR architecture as "flash", unaware of NAND flash technology and its many benefits over NOR. This is mainly due to the fact that most flash devices are used to store and run code (usually small), for which NOR flash is the default choice.

THE MAJOR DIFFERENCES

Table 1 highlights the major differences between NOR and NAND. It shows why NAND and NAND-based solutions are ideal for high capacity data storage, while NOR is best used for code storage and execution, usually in small capacities.

This table can also be used as a quick reference guide to compare NAND, NOR and DiskOnChip, since it addresses the main issues that need to be considered when choosing a flash-based storage solution.

Table 1: Major Differences between NOR and NAND

	DiskOnChip (NAND/MLC NAND-Based)	NOR	NAND
Capacity	8MB-1024MB	1MB-32MB	16MB-512MB
eXecute In Place (XIP) Capabilities (Code Execution)	XIP boot block	Yes	None
Performance	Fast erase (3msec) Fast write Fast read	VERY SLOW erase (5 sec) Slow write Fast read	Fast erase (3msec) Fast write Fast read
Reliability	<u>Extremely high:</u> Built-in EDC/ECC eliminates bit-flipping. Bad blocks managed by TrueFFS®*.	<u>Standard:</u> Bit-flipping issues reported Less than 10% the life span of NAND.	<u>Low:</u> Requires 1-4 bit EDC/ECC due to bit-flipping issue. Requires bad block management.
Erase Cycles	100,000-1,000,000	10,000-100,000	100,000-1,000,000
Life Span	At least as high as NAND. Usually much better thanks to TrueFFS.	Less than 10% the life span of NAND.	Over 10 times more than NOR



	DiskOnChip (NAND/MLC NAND-Based)	NOR	NAND
Interface	SRAM/NOR-like	Full memory interface	I/O only, CLE, ALE and OLE signals must be toggled.
Access Method	Random on code area, sequential on data area.	Random	Sequential
Ease-of-use (Hardware)	Easy	Easy	Complicated
Full System Integration (Hardware & Software)	Easy. TrueFFS drivers available for: Windows CE Windows Mobile SymbianOS PALM VxWorks Linux Windows Embedded QNX/Neutrino Many others	Easy	Hard. A simplistic SSFDC driver may be ported.
Ideal Usage	Both data and code storage in any application that requires a file system. Examples: Smartphones PDAs Point-Of-Sale Workstations SBC/IPC Digital Gateways Telecom Equipment Set-Top Boxes Thin Clients	Code storage – limited capacity due to price in high capacity. May save limited data as well. Examples: Simple home appliances Embedded designs Low-end set top boxes Low-end mobile handsets PC BIOS chips	Data storage only – due to complicated flash management. Code will usually not be stored in raw NAND flash. Examples: PC Cards Compact Flash Secure Digital MP3 players (music storage) Digital Cameras (image storage)
Price	Low	High	Low

*TrueFFS is M-Systems' patented flash management and disk emulation software. TrueFFS was chosen by most major OS vendors as the standard solution for flash management.



EXECUTE IN PLACE (XIP) VS. SERIAL

While NOR offers eXecute In Place (XIP) capabilities and high read performance, it is mostly cost effective in low capacities (1MB-4MB) and suffers from extremely low write and erase performance. On the other hand, NAND architecture offers extremely high cell densities and high capacity, combined with fast write and erase rates.

There are many other differences between these two technologies that will be further discussed below. However, those listed in the table are enough to strongly differentiate the types of applications using them: NOR is typically used for code storage and execution, mainly in capacities up to 4MB common in applications such as simple consumer appliances, low-end cell phones and embedded applications; raw NAND is mostly used for data storage in memory cards (CF, SD, MMC, PCMCIA). Code for raw NAND-based applications is stored in NOR devices.

Solving the complicated issue of NAND flash management and providing full disk emulation, DiskOnChip can be used for both code and data storage. DiskOnChip also features a programmable XIP boot block, enabling it to be used for system boot purposes, and thus offering a full NVM solution (boot + code storage + data storage). DiskOnChip is usually found in applications that require an operating system and a file system such as: feature phones and smartphones, thin clients, POS workstations, digital gateways, set top boxes, telecom infrastructure equipment and many more embedded applications.

NAND FLASH – PERFORMANCE FIRST

Flash devices are divided into erase units, also called blocks. This division is necessary to reduce prices and overcome physical limitations. Writing information to a specific block, in any flash device, can only be performed if that block is empty/erased. In most cases, this means that an erase operation must precede a write operation. While in NAND devices an erase operation is straightforward, NOR technology requires all bytes in the block to be written with “zeros” before they can be erased. Since the size of erase blocks in NOR devices ranges from 64KByte to 128Kbytes (in NAND: 8KByte to 64KBytes), such a write/erase operation can take up to 4 seconds(!). In stark contrast, NAND performs the identical operation in 2msec maximum. The erase block size difference further increases the performance gap between NOR and NAND, as statistically more erase operations must be performed in NOR-based units per any given set of write operations (especially when updating small files).

At a glance:

- NOR reads slightly faster than NAND
- NAND writes MUCH faster than NOR
- NAND erases much faster than NOR (2 msec vs. 4 sec)
- Most writes must be preceded by an erase operation
- NAND has smaller erase units for fewer erases in less time



INTERFACE DIFFERENCES

NOR flash is very similar to a random access memory device (RAM). It has enough address pins to map its entire media, allowing for easy access to each and every one of its bytes. NAND devices are interfaced serially via a rather complicated I/O interface, which may vary from one device to another or from vendor to vendor. The same eight pins convey control, address and data information. NAND is typically accessed in bursts of 512 bytes; i.e., 512 bytes can be read and written at a time (similar to hard drives). This makes NOR ideal for running code, while NAND is best used as a data storage device (hard drive/block device replacement).

High-capacity NAND devices now offer 2KByte pages in order to further improve cost and performance advantages.

At a glance:

NOR is memory mapped

NAND is I/O mapped

NOR is an XIP device

NAND is accessed in bursts of 512-2048 Bytes



CAPACITY/COST PER MB

Due to the efficient architecture of NAND flash (see Figure 1), its cell size is almost half the size of a NOR cell. This, in combination with a simpler production process, enable NAND architecture to offer higher densities, with more capacity on a given die size, as shown in Table 2. As a result, NOR capacities dominate the market range from 1MB to 4MB (although 32MB is also available), while NAND capacity range is from 8MB to 512MB. This again stresses the role of NOR devices as a code storage media, while NAND devices are ideal for data storage, and are found mostly in data-rich applications.

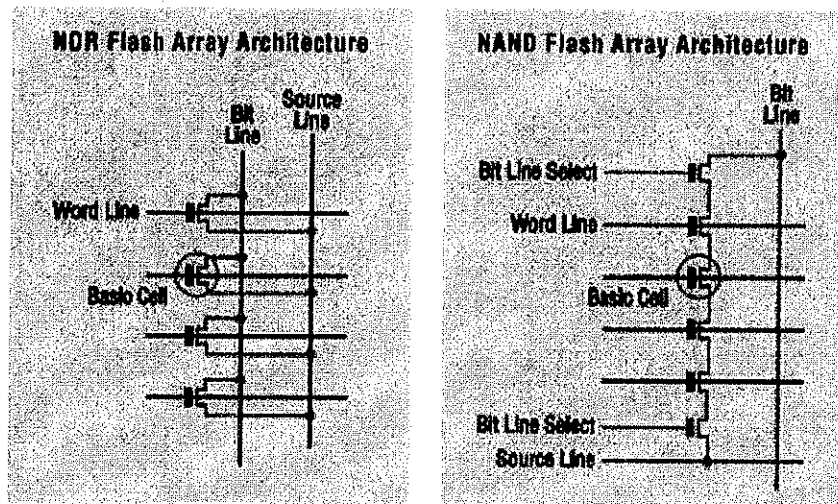


Figure 1: Comparison of NOR vs. NAND Architectures



Table 2: Size and Density: DiskOnChip G3 vs NOR

	64MBytes (512Mbits) DiskOnChip G3 (Based on MLC NAND)	64MBytes (512Mbits) MLC NOR Flash
Die photograph (size ratio maintained)	512Mbits	256Mbits - 256Mbits
Density %	197% better than NOR	

At a glance:

NAND is available from 16MB to 512MB

NOR is available from 1MB to 32MB

64MB MLC NAND-based DiskOnChip is about a third of the size
of equivalent 64MB Strata flash

NAND is better priced

NOR provides a good solution in low capacities from 1MB to 4MB



RELIABILITY AND LIFE SPAN (ENDURANCE)

One of the main considerations of working with a flash media is its reliability. Flash is the preferred storage solution for systems in need of a very long life span, and high MTBF rates (military applications, consumer appliances, mobile devices, telecommunications and many more). When comparing the reliability of NOR to NAND, three main factors must be taken into account:

- Bit-flipping
- Bad block handling
- Life span (number of erase cycles allowed).

Bit-Flipping

All flash architectures today suffer from a phenomenon known as "bit-flipping". On some occasions (usually rare, yet more common in NAND than in NOR), a bit is either reversed, or is reported reversed. One such reversal may seem insignificant; however, this "minor" glitch may hang your system completely if it corrupts a critical file. When the problem is just of reporting, repeating the read operation may solve it; however, if the bit was actually reversed, an error detection/correction algorithm must be applied (as offered in the DiskOnChip). Since this phenomena is more common in NAND devices than in NOR, all NAND vendors recommend using an EDC/ECC algorithm. When using NAND for multimedia information, this problem is not critical, but when using it as a local storage device to store the system OS, configuration files and other sensitive information, an EDC/ECC system **MUST** be implemented.

Bad Block Handling

Due to yield considerations, NAND devices (only) are shipped with bad blocks randomly scattered throughout them.

Working with NAND devices, especially for local storage, requires initially scanning the media for bad blocks, and then mapping them all out so they are never used. Failing to do so in a reliable manner may result in a high failure rate of the final device, and even a total recall.

Life Span/Endurance

As mentioned above, a flash block must be erased before writing to it. But the number of times that it can be erased is limited, as shown in Table 3.

Table 3: Erase Cycle Limits

	Min Erase Cycles Allowed (per erase block)	Max Erase Cycles Allowed (per erase block)
NAND	100,000	1,000,000
NOR	10,000	100,000



NAND devices offer up to 10 times the life span of NOR devices. In fact, since the block size of a NAND device is usually about 8 times smaller than that of a NOR device, each NOR block will be erased relatively more times over a given period of time (especially significant when working with small files) than each NAND block, which further extends the gap in favor of NAND.

At a glance:

NAND has more than 10 times the life span of NOR

All flash suffers from bit-flipping issues

NAND suffers more from bit-flipping and requires EDC/ECC

NAND usually has some bad blocks randomly scattered throughout

EASE OF USE

Using a NOR-based flash is a straightforward process. Just connect it as you would connect other memory devices, and run your code directly from it (if you don't mind the slow performance). Using NAND, on the other hand, is a tricky issue. NAND has an I/O interface and requires toggling the OLE, ALE, and CLE signals. Accessing one NAND from vendor A is not necessarily the same as accessing another NAND from vendor B. A driver **MUST** be written and used for performing any operation on a NAND device. Writing information to NAND is also tricky since you have to make sure you are not writing the information to a bad block. This means that virtual mapping **MUST** be implemented on NAND device at all times.

At a glance:

NOR has a standard memory interface.

NAND is an I/O device and requires a relatively complicated driver for any operation.

Using NAND requires bad block handling.

Using NAND requires implementing Error Detection/Correction Code (EDC/ECC).



MULTI- LEVEL CELL (MLC) NAND

One of the recent developments in NAND technology is the introduction of MLC NAND by Toshiba. MLC NAND allows a 2-bit representation on a single physical cell, increasing the flash density by a factor of 2 as shown in Figure 2.

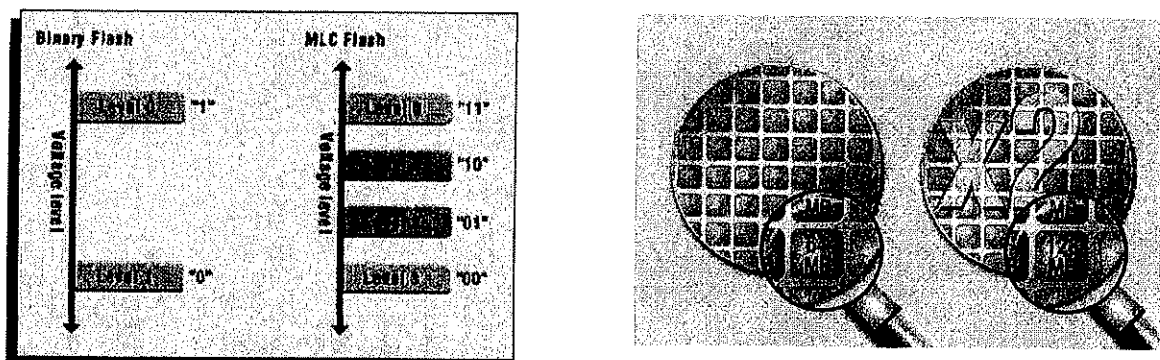


Figure 2: Compared with Binary NAND, MLC NAND Doubles Flash Density

While MLC NAND represents a breakthrough in cost structure, the inherent limitations of the technology are making it hard and tedious to integrate into real life applications.

The major limitations are substantially slower performance, and problematic reliability.

The DiskOnChip G3 family addresses these issues. Based on Toshiba's MLC NAND and M-Systems' x2 technology, it offers a fast, reliable and cost-effective MLC NAND-based product.

This is achieved by:

- **Perfecting reliability** - x2 technology implements an advanced error detection and correction mechanism, based on a combination of cutting-edge algorithms. The result is a perfect device (absolute data and code reliability throughout entire device life span).
- **Enhancing performance** - x2 technology implements parallel multi-plane operations, provides DMA support and a configurable burst mode, all aimed at delivering exceptional write, read and erase performance.

At a glance:

MLC NAND offers a breakthrough in cost structure, yet reliability and performance are problematic

DiskOnChip G3 maintains the cost advantages of MLC NAND while delivering breakthrough performance and absolute reliability



SOFTWARE SUPPORT

A distinction must be made between two levels of software support: basic read/write/erase operations, and high level software for disk emulation and flash management algorithms (including wear leveling, performance optimizations, etc.).

Running code from NOR devices requires no special software support. Running code from NAND requires a driver – usually referred to as an MTD (memory technology driver). Both NAND and NOR require MTDs for write and erase operations. While MTDs are basically all that is required for NOR write/erase, a NAND driver must also have bit error and bad block management code.

Higher level software is available for NOR devices from many vendors, yet the standard is M-Systems' NOR version of its TrueFFS drivers, used by Wind River, Microsoft, QNX, Symbian, and even licensed by Intel. Other software packages are available by other third party software houses. NAND devices, on the other hand, enjoy less software support. However, its high capacity, low cost and fast performance make NAND an ideal candidate for data storage in general, and hard drive emulation (block management) specifically. Based on NAND technology, M-Systems' DiskOnChip is supported by TrueFFS for both disk emulation and for NAND flash management, including bit error correction, bad block handling, and wear leveling, thus conveying all of NAND advantages without any of the disadvantages of difficult system integration. TrueFFS is provided both as source code and in binary format for all major operating systems such as VxWorks, Windows CE, Linux, QNX/Neutrino, Windows XP/XPE, Windows NT/NTE, DOS and many more.

At a glance:

Reading from NOR requires no driver

Raw NAND has limited software support

TrueFFS is the flash management software chosen by all major vendors

TrueFFS supports NAND-based DiskOnChip, providing disk emulation and NAND flash management



CONCLUSION

Use of NOR devices is widespread in the industry. They offer an easy memory interface and are suitable for code execution, making them ideal for devices that do not need data storage. Their architecture makes them a good alternative in the range of 1MB to 4MB. NOR offers good read performance but poor write and erase times, disqualifying it from being used as a data storage device. However, as today's devices become more and more sophisticated, they are expected to offer more features, richer programs and store more information locally. This requires larger capacities, both for code and data storage, and considerably faster erase/write times. NAND offers all of this, plus better prices in capacities ranging from 8MB to 512MB. However, most engineers are reluctant to use it due to its non-standard interface and complicated management.

Based on NAND architecture and combined with TrueFFS software, DiskOnChip offers all of NAND advantages without the hassle that goes with it. DiskOnChip includes a built-in EDC/ECC mechanism (based on the Reed-Solomon algorithm), and a standard, memory-mapped SRAM interface. M-Systems' TrueFFS software handles all of NAND's shortcomings, featuring bad block handling, wear leveling, error correction, block device emulation and more. In addition, DiskOnChip offers an XIP boot block enabling it to function both as a boot device replacement (traditionally an EEPROM or a small NOR flash device), and as your system's local storage device. This block can also be used to replace small serial EEPROMs or ROM.



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